

Armchair armor: shopping safely from home

Shopping from home allows you to shop at your own convenience—often 24 hours a day, seven days a week. There are no parking spaces to scout at the mall, no crowds to battle and no long checkout lines. When you're shopping from the comfort of home, you can order all kinds of products and services from companies in other states, even other countries.

But shopping from home, like traditional shopping, isn't without risk. Follow these tips to help you shop safely from home:

- ★ **Know whom you're dealing with.**

Your best protection when shopping from home is to do business with companies you know to be legitimate. No matter how impressive a company's web site, how convincing a telemarketer or how sincere a door-to-door sales person may appear, if you're not familiar with a company's reputation, it's important to check up on it. There's no fail-safe way to

identify a con artist, but you can help protect yourself by consulting with friends to see if they've ever done business with the company. Check with the Bureau of Consumer Protection and the Better Business Bureau in Wisconsin or the state where the seller is based.

It's also a good policy to identify the seller's physical location. While federal and state laws may apply if you deal by phone, mail or computer with a company in another state or country, it may be difficult for you to pursue claims. Be aware when shopping with an overseas vendor that you might not have the same legal protections or be able to enforce your rights as easily as when the vendor is in the United States.

- ★ **Protect your privacy.**

Provide personal information only if you know who's collecting it, why, and how it's going to be used. Don't

give your computer password to anyone, and never give a seller more information than you are comfortable providing. If a sales representative or web form asks for your Social Security Number, your driver's license number or other personal information not needed for the transaction hang up or click off and look for another vendor. Provide your credit card or bank account numbers only if you are using that account to pay for a purchase.

- ★ **Think it through.**

Don't act on impulse or buckle under to high-pressure tactics. Legitimate vendors won't railroad you into making an on-the-spot decision that you might later regret. That's especially true for vendors who stand by their products and services.

- ★ **Pay with a credit card.**

Other payment options simply don't offer the same consumer protections. If the product doesn't arrive on time or if



you believe it was misrepresented, you're legally entitled to added protections if you've paid for the purchase with a credit card. In addition, if you have an unauthorized charge on your credit card bill, your liability under federal law is limited to \$50.

If you choose to use another payment method, don't send cash, a check or a money order by courier, overnight delivery or wire to anyone who insists on immediate payment. A seller's urgency to get your money in hand should send up an instant red flag.

★ **Check on delivery dates.**

Keep or print out any advertisements or materials that show a specific delivery time, or write the delivery time in your records if one was promised.

The law requires sellers to ship items by the time they promise or, if no delivery time is stated, within 30 days after the order date. If the seller can't ship the goods within the stated time frame or 30-day deadline, the seller must notify you, give you a chance to cancel your order and send a full refund if you've chosen to cancel. The seller also has the option of

canceling your order and refunding your money.

★ **Check shipping and handling fees.**

Many retailers add a shipping and handling fee to the price of an item, based on where the order is to be shipped or the cost or weight of the goods. Online buyers generally can select from several delivery methods—standard/ground, two-day or overnight—at various costs. Be sure to find out about the options and costs and choose the delivery method you prefer. If you don't, the retailer may decide for you.

★ **Keep records of your purchases.**

When ordering by phone or computer, write down or print out information related to the transaction, including the seller's name, address and telephone number; the name of the person you spoke with, if applicable; a description of what you ordered; and the seller's delivery date, terms and return policies. This documentation can be vital to have if you don't receive your order, receive the wrong shipment or have some other problem.

★ **Track your order.**

If it isn't delivered on time and you haven't been notified

of a delay, contact the company. It's your choice to agree to wait longer to receive the order or to cancel. If you cancel, your money must be refunded within seven days, or your account must be credited within one billing cycle if you charged the order. The company can't substitute a merchandise credit for a refund.

Wisconsin's new direct marketing rule adds enforcement penalties to another Wisconsin law which provides a "cooling-off" period allowing you three business days to think about and cancel a direct marketing sale if you wish. This applies to credit transactions and cash sales of \$25 or more that occur away from the seller's regular place of business. The three-day cooling-off period doesn't cover real estate, auctions, items used for agricultural purposes or insurance—even if sold door to door. Your three-day right to cancel starts after the seller has provided you the proper written notice of your right to cancel. In a direct marketing transaction, you must be notified of your three-day right to cancel. If you do choose to cancel, send your cancellation by certified mail, so you will have written proof that your

cancellation notice was sent on time. Your money must be returned to you within 10 days. If the seller does not pick-up the product in 20 days, you may keep it.

The rule also provides protection when a telephone caller bills your credit card during the call. When you are billed this way, the telemarketer must tell you that you have seven days to cancel after delivery. And at delivery, the paperwork you receive must again notify you of your seven-day right to cancel.

★ **Seek help if you run into a problem.**

If you can't resolve your problem by working directly with the company, a wide range of government agencies, industry organizations and consumer groups can offer assistance. For information on corporate contacts, contact information for consumer protection agencies nationwide, a sample complaint letter and/or a complaint form, contact the Bureau of Consumer Protection at 1-800-422-7128.

Watch out for fraud

Legitimate businesses use many different ways to promote their

products and services. But fraudulent individuals and companies masquerading as reputable ones are increasingly taking advantage of consumers whom shop from home.

Mail

Direct mail marketing is a growth industry because it enables sellers to target individuals in specific geographic, demographic or interest groups for their advertising. Most direct mail marketers are bona fide companies—but unfortunately, not all.

It's illegal for anyone to use the mail as part of a scheme to cheat people out of money. Federal mail fraud laws apply whether the mail is used to send solicitations to consumers, to receive consumers' payments or to transmit information from one company location to another. It's also against federal law for private or commercial interstate delivery services to be used as part of a fraudulent scheme.

In addition, it's illegal to use the mail or a private or commercial delivery service to send lottery solicitations or tickets across state lines or from another country into the United States. Federal law also prohibits mail that looks like it's from a government agency when it isn't, or that looks like an invoice when no goods or services were ever

ordered, unless it clearly states that it is not a bill but only a sales solicitation.

To report mail fraud, call the local U.S. Postal Inspection Service or postmaster. More information is posted at www.usps.gov. Consumers who wish to have their name deleted from many direct mail lists can write to:
Mail Preference Service
Direct Marketing Association
P.O.Box 9008
Farmingdale NY 11735-9008.

Internet

The World Wide Web has greatly expanded the opportunity for consumers to shop from home, and an ever-growing number of consumers and vendors are entering the cyber-marketplace.

But many of the same types of scams that use the phone or mail can now be found on the Internet as well. Since anyone can create a flashy web site or send what appears to be a friendly e-mail message, identifying fraudulent vendors can be difficult.

When you shop online, many marketers want to know as much about you and your buying habits as you are willing to tell. This is valuable information to sellers who may use it to tailor future advertising to you, or often resulting in you being

bombarded with unwanted advertising. Your best protection is to shop with a vendor that posts its privacy policies online and offers you options about the use of your personal information. In most cases, the password you established with the vendor and your credit card number and delivery address are the only information a seller should need to take your order.

It's only natural that some people get nervous about using their credit card to make online purchases. But if you shop on a secure server, your credit information is protected.

The way to confirm that you're on a secure server is to look for a locked key or padlock at the bottom of the browser screen. These symbols mean that the information you are sending is encrypted—turned into a secret code—for online transmission. Only people with the proper decoding software can access the data, and that software is kept so closely guarded that the U.S. government won't allow it to be exported to foreign countries. Many, although not all, overseas companies have developed their own secure server software.

When ordering online, it's also important to guard your passwords. If the seller requires you to use a password to make a purchase, don't use the same password you use to log on to

your computer or network. And choose a different password every time you register with a new site.

Online Auctions

If you're looking for a hot collectible or simply a good deal, online auctions may appeal to you. But before you place a cyber-bid, consider how online auction houses work. Like at a traditional "live" auction, the highest bidder "wins." But that's where the similarity ends. Because many online auction sites don't have physical possession of the merchandise, the highest bidder often deals directly with the seller to complete the sale.

If you're the highest bidder, the seller typically will contact you by e-mail to arrange for payment and delivery. Some, but not all, sellers accept credit cards. Many sellers require payment with a check, certified check or money order, but it's important for consumers to recognize that these payment methods don't offer the same consumer protections as credit cards.

Some online sellers have put items up for auction, taken the highest bidder's money and never delivered the merchandise. Consumers who paid by check or money order had little recourse when it came to getting their money back.

To help protect yourself when shopping through an online auction, ask about using an escrow service, which collects your payment and forwards it to the seller when you confirm that you have received the merchandise. Most escrow services charge a small fee, but the investment may well be worth it. Another option is to pay cash on delivery.

Telemarketing

Although most phone sales pitches are made on behalf of legitimate organizations offering bona fide products and services, some telemarketing calls are fraudulent. Telemarketing fraud is a multi-billion-dollar business in the United States, and every year, thousands of consumers lose money—sometimes their life savings—to telephone con artists.

Telephone fraud knows no race, ethnic, gender, age, education or income barriers. Anyone with a phone can be victimized by telemarketing scam artists. You may get a call from a stranger who got your number from a telephone directory, mailing list or "sucker list" of people who have already lost money through fraudulent promotions or merchandise sales. You also may get a letter or postcard saying that you've won a prize or contest when you really

haven't—a scam to deceive you and take your money.

Fortunately, there are laws to help protect you. The Federal Trade Commission's Telemarketing Sales Rule and the Wisconsin Direct Marketing Rule require telemarketers to make certain disclosures and prohibit misrepresentations.

Telemarketers cannot call before 8 a.m. or after 9 p.m., and it's illegal for a telemarketer to call you if you've asked not to be called. If you do get called back, hang up and report the caller to the Bureau of Consumer Protection.

Telemarketers are required by law to tell you they're making a sales call and who they represent before making their pitch. It's illegal for them to misrepresent any information, and they must tell you the total cost of the products or services offered and any restrictions on getting or using them or that a sale is final or non-refundable, before you pay. In a prize promotion, they must tell you the odds of winning, that no purchase or payment is necessary to win, and any restrictions or conditions of receiving the prize. If you're asked to pay for a prize, hang up. Prizes are free. If any payment or purchase is required, it's a sales transaction, not a prize.

If you have the slightest doubt about a telephone offer, tell the

caller to send you the information in writing and check it out before putting your money on the line.

Door-to-door sales

Some businesses sell their goods and services by sending their sales people out to ring doorbells or arranging for home parties. Many consumers enjoy shopping "the old-fashioned way," but as in other types of sales, it's hard to know how to determine if a seller is legitimate.

If you're approached by a sales person at home, ask for identification verifying the person's name, the name of the business and the business address. Tell any salesperson who can't provide this information to leave, and report suspicious salespeople to your local police department.

Even if you're satisfied with the information provided, don't feel pressured into buying something. Be wary of sales pitches that require you to make an on-the-spot decision or offer "free" gifts with a purchase. Before buying anything, it's a good idea to ask for literature about the product or service and to comparison shop with local vendors.

If you've made a door-to-door purchase of \$25 or more, Wisconsin laws give you three days to cancel the transaction. By law, the sales person must

tell you about your cancellation rights at the time of the sale. The salesperson also must give you two copies of a cancellation form (one to keep and one to send) and a copy of your contract or receipt. The contract or receipt should be dated, show the name and address of the seller, and explain your right to cancel. The contract or receipt must be in the same language that's used in the sales presentation.

Flea Markets and Yard Sales

One person's trash is another person's treasure. But while you can get great bargains at flea markets and garage sales, it's wise to be on the lookout for potential problems—among them, those related to product safety. It's possible that an item being sold has been recalled or even banned because it doesn't meet current safety standards. This is especially important if you are considering buying used children's products such as cribs, car seats, strollers and playpens. Your best protection is to get the item's make and model number, then call the Consumer Product Safety Commission toll-free at 1-800-638-2772 or go to the www.cpsc.gov web site for general advice and specific product information. If you're considering buying an electrical product, check it carefully for frayed wires, loose plugs and

scorch marks that indicate overheating.

Be aware that some products sold at flea markets and garage sales may be counterfeit. And although they may look just like the real thing, they're often poorly made imitations. At the least, they may quickly fall apart; at worst they can be dangerous. And if you buy a "knock-off," you

won't be able to get warranty service if something goes wrong. So when you see new merchandise offered at a flea market or garage sale for incredibly cheap prices, your best bet may be to pass it up.

For more information or to file a complaint, contact the Bureau of Consumer Protection at:

(800) 422-7128

FAX: (608) 224-4939

TTY: (608) 224-5058

E-MAIL:

datcph hotline@datcp.state.wi.us

WEBSITE:

<http://datcp.state.wi.us/>

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